

Bulletin Tax

Sales Tax Bulletin

Effective: July 1, 2004

Re: Streamlined Sales Tax (SST) Implementation

On June 28, 2004, the Utah Legislature met in a special session and made changes to the effective date of Streamlined Sales Tax (SST) legislation. As a result, you and your business need to know what SST legislation will take effect on July 1, 2004, as planned, and which components will be implemented one year later, on July 1, 2005.

SST Changes effective *July 1, 2004*

- **Continue to charge sales tax based on the point-of-sale (store location).** The sourcing change from point-of-sale to point-of-delivery has been delayed until July 1, 2005.
- **The TC-61 return and schedules will replace TC-71 forms** for periods starting on or after July 1, 2004. The TC-61 forms have been slightly modified to reflect the delayed implementation of point-of-delivery sourcing (find revised forms at tax.utah.gov/forms/current.html).
- Monthly filers will **calculate seller discount by multiplying the tax due by 1.31%.**
- **Resort Communities Tax will be part of the combined rate** and will be filed on the TC-61 forms. See SST Booklet, pages 2-3, Section 1, for details regarding sales subject to resort tax.
- Online filing eligibility has been expanded. File online at www.utah.gov/salestax.
- Out-of-state voluntary filers will continue to collect and remit sales tax at Utah's lowest common rate, which is 5.75%.
- Electronic exemption certificates will be valid if they contain the same information reported on Tax Commission form, TC-721 Exemption Certificate.
- **All other 2004 legislative changes found in SST Booklet, page 10, Section 8, are effective July 1, 2004.**

SST Changes delayed until *July 1, 2005*, include:

- Point-of-delivery sourcing (sales tax rate determined by where the customer receives the goods or services).
- New definitions for drugs, durable medical equipment, mobility enhancing equipment and prosthetic devices (SST Booklet, pages 11-13, Section 9).
- Changes in the definition of purchase/sales price, including installation and freight charges (SST Booklet, pages 8-9, Section 6).
- Direct pay permits and multiple points of use (MPU) and direct mail exemption certificates (SST Booklet, pages 11-12, Section 9).
- Changes in the calculation of bad debt on repossessed property.
- Taxability matrix (SST Booklet, page 7, Section 5).

Where to get additional information

- Watch for additional information to be mailed in July, 2004.
- For a copy of the SST Booklet, visit our website at tax.utah.gov/sst.
- See additional contact information on the other side of this mailer.



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This Tax Bulletin contains
urgent SST information
for every business with
Utah sales.

This Tax Bulletin has been prepared to give you the basic information you need to charge the correct sales tax rate starting July 1, 2004. The Tax Commission will provide more detailed instructions before the end of July. Please check regularly for the most current SST information at **tax.utah.gov/sst**.

NOTE: The Tax Commission no longer mails notices of sales tax rate changes. Rate changes are available on our website at **tax.utah.gov/sales/rates.html**. Check this site at least quarterly to ensure you are charging the correct tax rate.

QUESTIONS...



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